

ASSEMBLY BILL

No. 1192

Introduced by Assembly Member Audra Strickland

February 27, 2009

An act to add Section 37113 to the Government Code, relating to cities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1192, as introduced, Audra Strickland. Cities: powers.

Existing law authorizes a board of trustees, city council, or other governing body of a city, defined as a legislative body, to pass ordinances not in conflict with state or federal law and the state or federal constitution.

This bill would prohibit a legislative body from passing an ordinance creating an entity for the purpose of having the entity issue debt to fund a public improvement project with the legislative body making lease payments or other periodic payments to the entity that are used to repay the entity's debt. This bill would also declare that this prohibition is a matter of statewide concern, thus making it applicable to charter and general cities.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 37113 is added to the Government Code,
- 2 to read:
- 3 37113. A legislative body shall not create an entity for the
- 4 purpose of having the entity issue bonds or any other debt

1 instrument to fund a public improvement project with the
2 legislative body making lease payments or other periodic payments
3 to the entity that are used to repay the bonds or debt instrument.

4 SEC. 2. The Legislature finds and declares that the financial
5 stability of individual cities, as impacted by their engaging in
6 certain kinds of financial arrangements to incur debt, effects the
7 financial health of the state as a whole, and therefore this act
8 pertains to an issue of statewide concern and does not relate to
9 municipal affairs, as that term is used in Section 5 of Article XI
10 of the California Constitution.